

Essential Health Benefit Package
Subcommittee Report
to the
Virginia Health Reform Initiative
Advisory Council

Monty Dise
June 13, 2012

Process to Recommend Essential Health Benefit Benchmark

- Essential Health Benefit options discussed at May 3rd VHRI Advisory Council meeting
- Recommended that a Subcommittee be established to discuss and recommend a benefit package for consideration by VHRI Advisory Council
- Subcommittee task- to consider Anthem, Small Group PPO as Essential Health Benefit Benchmark and where the plan does not fulfill 10 mandated categories, to identify what should be added to complete the benchmark package

Process to Recommend Essential Health Benefit Benchmark

- BOI and DMAS staff along with Virginia Association of Health Plan members discussed plan options; made recommendation that Anthem, Small Group PPO was best suited to meet benchmark standards
- Subcommittee received materials and recommendations from workgroup to guide discussion
- Subcommittee met to discuss options and consider Anthem, Small Group PPO to be recommended as the Virginia Essential Health Benefit Benchmark

Overview of Essential Health Benefit Basics

- Affordable Care Act indicated that the Essential Health Benefits (EHB) to be decided by Secretary of HHS.
- Health and Human Services (HHS) Bulletin-
 - Issued December 16, 2011 indicated that States are to decide EHB using one of 10 benchmark plans
 - Largest plan by enrollment in any of the three largest small group insurance products in the State's small group market
 - Any of the largest three State employee health plans by enrollment
 - Any of the largest three federal employee health plans by enrollment
 - Largest insured commercial non-Medicaid HMO operating in the state

Overview of Essential Health Benefit Basics

- 10 Categories to be covered by Essential Health Benefits:
 - Ambulatory Patient Services
 - Emergency Services
 - Hospitalization
 - Maternity and Newborn Care
 - Mental Health and Substance Abuse Disorders
 - Prescription Drugs
 - Laboratory Services
 - Preventive and Wellness Services and Chronic Disease Management
 - Rehabilitative and Habilitative Services and Devices
 - Pediatric Services, Including Oral and Vision Care

Overview of Essential Health Benefit Basics

- Selecting a benchmark plan:
 - DOES NOT indicate preference of a specific plan or company
 - DOES establish a plan as being the “template” for essential health benefit design.
- The plan must be specified by third quarter of 2012 (September)
- If the state does not select a benchmark plan, the **largest small group plan** in the state will become the default plan (Anthem, Small Group PPO)
- HHS intends to assess the effectiveness of the benchmark plans by 2016 and may modify EHB guidelines at that time.

Essential Health Benefit Basics and Existing Virginia Mandates

- Existing (Virginia) mandated benefits that are included in the selected benchmark plan will become part of the EHB package.
 - Must have been enacted by December 31, 2011
- If the Commonwealth were to add any additional service, to what is already mandated in Virginia (within the 10 essential categories) the state would have to pay 100% of these added costs.
- The subcommittee discussed the Autism mandate which does not apply to the individual and small group market therefore does not fall within the scope of EHB

Essential Health Benefits and Existing Individual and Small Group Products

- Once Virginia chooses an Essential Health Benefit package, all plans in the individual and small group market must meet that standard.
- Plans will have to cover services they have not traditionally covered in the specified market
- This will likely result in the rise of premiums

Options: Essential Health Benefit Benchmark

Essential Health Benefit Required Categories

Ambulatory Services
Emergency Services
Hospitalization
Maternity and Newborn Care
Mental Health and Substance Abuse
Prescription Drugs
Rehabilitation and Habilitative Services
Laboratory Services
Preventive and Wellness Services
Pediatric Services Including Oral and Vision

Anthem Small Group PPO

Ambulatory Services
Emergency Services
Hospitalization
Maternity and Newborn Care
Mental Health and Substance Abuse
Prescription Drugs
Rehabilitation and Habilitative Services
Laboratory Services
Preventive and Wellness Services
Pediatric Services: Vision

Services to be added



Habilitative Services –
pending federal
guidance



Pediatric Oral

Subcommittee Recommendation

Essential Health Benefit Benchmark

The subcommittee brings recommendations that are believed to not create any added expense to the Commonwealth

- **Benchmark Plan –**
 - Anthem, Small Group PPO
- **Pediatric Dental Services –**
 - Smiles for Children as benchmark (Current Medicaid/FAMIS dental program for children) Some Services Include:

Fluoride	Crowns	Sealants
Braces (if medically necessary)	Cleanings (every 6 months)	Root Canal Treatments
Space maintainers	X-rays	Extractions
Fillings	Anesthesia	Oral Disease Services

Subcommittee Recommendation

Essential Health Benefit Benchmark

Habilitative Services – TBD

- Not commonly described in commercial insurance coverage
- HHS Currently considering options:
 - Parity with “Rehabilitation” (PT/OT, etc.)
 - Plans would decide which services to cover, HHS to review and approve
- Narrow definition may be allowed vs. more broad Medicaid definition
- Awaiting more federal guidance, no recommendation should be made until clarification from federal government